



Larry Hogan | Governor  
Boyd Rutherford | Lt. Governor  
R. Michael Gill | Secretary of Commerce  
Signe Pringle | Deputy Secretary of Commerce

**Transforming Manufacturing Workgroup  
Meeting Minutes  
July 25, 2022, 10:00-12:00pm**

**Workgroup Members in Attendance:**

- Delegate Lily Qi, Chair
- Senator Rosapepe
- Senator West
- Delegate Mautz
- Todd Sabin, Maryland Commerce
- James Rzepkowski, Maryland Labor
- Mike Galianzo, RMI
- Mike Kelleher, Maryland MEP
- Lindsay Ryan, USM
- Kelly Koermer, MACC
- Chris Cosgrove, RAMP MD
- Ken Sanchez, Chesapeake Specialty Products
- April Richardson, Food Opportunity
- Irnande Altema, MICUA
- Thomas Vancott, Catalent Pharma Solutions
- Jack Weber, Uptown Press
- Wynne Briscoe, SBDC
- Sarah Kilmon on behalf of Delegate Johnny Mautz
- Peter O'Neill, on behalf of Adam Porter

**Staff:**

- Michael Siers, Maryland Department of Commerce
- Richard Clinch, Jacob France Institute

**Public:**

- Sam Baggett
- Heather Gramm, Maryland Department of Commerce
- Katie Hardy, Office of Delegate Qi
- Pamela Kasemayer
- Christine Krone
- Jen LaHatte, Maryland Department of Commerce
- Maddy Voytecc
- Aubrey Waddick, MICUA

## **Welcome and Approval of Minutes**

Delegate Qi welcomed members to the meeting. The meeting minutes were approved unanimously.

## **Labor Market Supply and Demand Alignment**

Richard Clinch began his presentation by reviewing what the workgroup has accomplished to date and how the presentations have fit into the tasks established in statute. Dr. Clinch noted that the next steps for the workgroup are to determine recommendations and develop a report and that he provided initial recommendations at the end of the PowerPoint as a starting point.

Dr. Clinch then reviewed data on Maryland's manufacturing labor supply and demand. Dr. Clinch noted that there are approximately 9,000 annual job openings in the industry that require a high school degree or less but there are only around 3,500 annual openings for 'low skill' jobs. This means that most jobs in manufacturing may not require education but still require training and experience. Dr. Clinch noted that Maryland's workforce system is currently very aligned with higher-skilled occupations within manufacturing. However, Dr. Clinch noted that the state falls short in supplying workers for production occupations. Dr. Clinch also mentioned that few students in the CTE program go on to work in manufacturing in Maryland.

Dr. Clinch stated that he had spoken with experts across the country to identify best practices. Dr. Clinch focused on five areas for state and local efforts:

1. Increasing the pipeline of students in high schools,
2. Community college training,
3. Curriculum development,
4. Underrepresented populations, and
5. Integrated manufacturing workforce development training.

Dr. Clinch noted that what really defined all best practices he identified were efforts that were led by industry rather than state or local governments. Dr. Clinch then walked through examples of successful efforts for each of the five focus areas. Dr. Clinch indicated that links to each program would be provided to members of the workgroup.

Dr. Clinch then shared initial ideas on recommendations based on some of the national best practices work he conducted.

## **Open Discussion/Initial Recommendation Development**

Delegate Qi noted that Dr. Clinch had emphasized the importance of industry-led efforts numerous times during his presentation and asked Dr. Clinch what role the state government plays in successful efforts. Dr. Clinch responded that the state's role is often in convening and funding. Dr. Clinch said that Connecticut likely presents the best example for Maryland to follow in addition to Indiana and Iowa. Iowa has a group similar to the Maryland Manufacturing Advisory Board.

Jack Weber said one item he would like to place for future consideration is the role of returning citizens and how the state/industry can tap into the CTE systems that already exist in prison systems. Mr. Weber emphasized a desire to also increase funding for high school and community college CTE programs. Additionally, Mr. Weber indicated support for grant programs that facilitate manufacturing. Delegate Qi replied that she especially liked the focus on recidivism and returning citizens.

April Richardson said she noticed an emphasis in Dr. Clinch's presentation and in other discussions on youth and manufacturing and said that one area of consideration should be HBCUs. Ms. Richardson noted the strong HBCUs in Maryland and a workforce that is ready and able to work. Ms. Richardson also underscored the importance of returning citizens. Ms. Richardson said she would like to see HBCUs included in the overall policy recommendations. Delegate Qi responded that this speaks to ways to increase diversity in the workforce which was an issue Dr. Clinch had brought up in his presentations. Delegate Qi said she supported ways to connect more graduates to opportunities and in finding ways to connect more with the state's HBCUs.

Kelly Koerner said curriculum is important but warned that the 'field of dreams' mentality – 'if we build it they will come' – is a hurdle and that access to the programs in the first place is a big issue. Ms. Koerner recommended a scholarship program or incentive around enrollment to make it more enticing for people to join. Ms. Koerner also noted that as the workgroup focuses on CTE that there are four community colleges not currently eligible for Perkins funding and that the group (and others) should be cautious before using Perkins funding as a model because that may block some community colleges.

Dr. Clinch said that in addition to scholarships, one thing he has heard is that there is a lack of awareness about the viability of a manufacturing career in the first place. This means one thing that works is industry reaching down into high schools and connecting with high school students to raise awareness of what career paths are available.

April Richardson said she would like to see focus geared on bringing companies to industry 4.0 as she has not seen a lot of funding. Additionally, Ms. Richardson recommended that efforts try to bring more women into the workforce.

Peter O'Neill noted that one good model for reference would be South Central Pennsylvania. Mr. O'Neill said that the manufacturing association there has a wonderful curriculum that covers a lot of places and that puts up to 3,000 students a year. Mr. O'Neill mentioned that the region does have a greater density of manufacturing businesses but it should still work. Mr. O'Neill also noted that South Carolina could serve as an example with a matching fund the state government put in place. Dr. Clinch noted that he talked with them and that they will be releasing a strategy in the next few months. Delegate Qi proposed the potential for a virtual visit. Delegate Qi also noted that a bill to establish a matching grant fund had been proposed last session.

Ken Sanchez said the biggest way to solve many issues quickly is to get a fund established so companies can get the technology they need. Mr. Sanchez said a fund would especially benefit small and minority manufacturers and estimated that a good funding level would be \$10 million.

Senator West said that since other states have pioneered programs that have been pretty successful it may be beneficial to go to other states and spend time discussing those programs and come back to decide if those programs make sense for Maryland or not. Mike Galiazzo noted that many local stakeholders are familiar with programs in other states and said that he worried whether solutions in other states would work in Maryland. Mr. Galiazzo said that solutions should be tailored to Maryland rather than copied from other areas. Mr. Galiazzo said a few urgent problems are the need to attract talent, the need for money to adopt new technologies, and the need to provide more opportunities for women and minorities in manufacturing. Delegate Qi said that the group's approach could be two pronged, with one prong looking at short-term solutions and the other focusing on longer-term solutions to items like minority involvement.

Chris Cosgrove asked if Dr. Clinch had data on where pockets of available workers might be. Dr. Clinch said that the larger areas of worker surplus tended to be Baltimore City, inner suburbs of Baltimore in Baltimore County, and the DC suburbs. However, Dr. Clinch noted that training those workers is not always a short-term task due to some of the STEM requirements for many open jobs and the relative lack of jobs with little training/experience.

April Richardson mentioned the importance of a marketing fund that tries to change how manufacturing is talked about, such as on social media. This could work to reduce the number of jobs still available. Delegate Qi said she agreed with the need to find ways to destigmatize the industry. For example, in Montgomery County, roughly one fourth of high school graduates do not go on to college and Delegate Qi said she would like to see recommendations for how to connect those individuals with jobs in the workgroup's recommendations.

James Rzepkowski said he believed that successful efforts did need to be industry driven. Mr. Rzepkowski noted that the Department of Labor is looking at both CTE and apprenticeships in Maryland. One item the Department is looking at is concern from businesses that workers who get hired and receive training do not stay. Mr. Rzepkowski asked members of the workgroup if there are particular things that the Department can focus on to help improve outcomes for manufacturers, noting child care or transit as examples.

Mike Galiazzo said one key need is around immigration reform so that businesses can expand the pool of available workers to recruit. Mr. Galiazzo noted that it is difficult because workers can get better wages in other industries and if manufacturers cannot find workers they will accelerate efforts around automation and technology adoption.

Delegate Qi agreed and said manufacturing should be looked at more as a career than just a short term job. Mike Galiazzo agreed but said changing that perception was difficult.

Mike Kelleher said that in the last two weeks he had seen some manufacturers begin to lay workers off and said that a technology focus can help manufacturers compete in both good and bad economic conditions. Technology allows for more employed workers in the long term if those businesses are able to remain open and a goal for the workgroup should be driving economic competitiveness.

April Richardson said one thing she hears a lot is job apathy where workers do not always see a path forward. Existing workers see people hired in above them for higher salaries and that also leads to challenges in retention. Ms. Richardson also noted issues with child care, instable housing, and transit as other barriers to having a stable workforce.

Dr. Clinch noted that manufacturing has one of the lower churn and separation rates across industries. While Dr. Clinch noted that many employers are reluctant to provide training because workers can leave, this separation may be better than the perception.

Senator Rosapepe said that there should be a focus on engaging high school students and younger and not waiting until people graduate to engage them. Delegate Qi asked if there were good strategies to increase the prestige of the industry or major employers. Delegate Qi asked James Rzepkowski if the state has any coop programs for students. Mr. Rzepkowski noted that the most similar existing program is the registered apprenticeship program. Delegate Qi noted that engaging college students would likely yield results sooner than engaging high school students.

Delegate Qi asked if members could each write their top three recommendations and send them to Michael Siers to collect. These will be discussed during the September meeting.

### **Update on M3 Pilot Program**

Delegate Qi welcomed Heather Gramm from the Maryland Department of Commerce and noted that the M3 Pilot Program Ms. Gramm would be speaking on is similar to the program recommended by the workgroup during the past legislative session. Heather Gramm thanked Delegate Qi for the opportunity to update the group and thanked the workgroup for their feedback during a previous meeting. Ms. Gramm noted that adjustments have been made to the grant program in line with feedback received. Ms. Gramm said the M3 Pilot Program has a preliminary budget of one million dollars and that grants will be a 50/50 match with a maximum award amount of \$50,000. Ms. Gramm noted that the Department has heard comments on grant size but given the nature of the program as a pilot, the intent is to ensure a variety of projects can be funded and then adjustments can be made based on demand. Ms. Gramm noted that the application is being finalized and that the program is on track for a launch in mid to late August. Ms. Gramm noted that awards will be made as part of a one time window with a competitive review process rather than rolling applications.

Delegate Qi thanked Ms. Gramm for the update and indicated she was pleased the match amount had been raised to 50/50. Delegate Qi noted that she hoped next year the program will have more funding. Delegate Qi asked if industry experts have been added to the review panel and Ms. Gramm confirmed that the Department is working to get external review and is working to find appropriate representation. Peter O'Neill asked if the \$50,000 grants can be used for capital acquisition and Ms. Gramm confirmed that grants can be used for equipment, software, technology, or support infrastructure as well. Lindsay Ryan asked if the money could be used for trainings and Ms. Gramm confirmed they could be and that to the extent training cannot be covered by these grants that other state programs like PWQ at the Department of Commerce could be utilized.

### **Future Meeting Dates:**

Delegate Qi noted that a small group would meet in August and the full group would meet next in September. Mike Galiazzo said that the statute creating the group laid out specific things the group has been tasked with and asked if the group was meeting those objectives. Michael Siers replied that so far the group was meeting those objectives. Delegate Qi asked Dr. Clinch why one of his recommendations was a separate manufacturing plan and how that would differ from the workgroup's efforts. Dr. Clinch replied that a separate plan typically involves more partners and broader coordination across the state.

Delegate Qi adjourned the meeting.